

Construction-to-Permanent (CP) Loans Frequently Asked Questions



What is a construction-to-permanent (CP) loan? Am I required to own my land beforehand?

A Construction-to-Permanent (CP) mortgage is a multi-step mortgage that allows you to finance the construction of your dream home. You are not required to own your land beforehand. In fact, Ameris Bank's Construction-to-Permanent loan allows you to combine the purchase of your lot, construction costs, and permanent mortgage financing into a single loan, ensuring you have the funds to build your dream home. We offer conforming and jumbo fixed-rate mortgages, a 5/1 Adjustable Rate Mortgage (ARM), as well as an FHA fixed-rate loan, with a one-time close option.

How much down payment is required?

Down payments for CP loans start at as little as 3.5% down for an FHA loan. If you own your own land, the equity from your land may be eligible for use towards your down payment.

What are the steps of the CP loan process?

Initial Loan Phase: Your lender will work with you and your builder to gather the required documents for your loan, such as asset and income documentation, executed contract, plans, and specifications. After reviewing loan options, your lender will order an appraisal, lock in your rate, and send your loan to underwriting for approval. Once your loan is approved, you will close on your loan and begin the build phase of your home.

Build Phase: During the build phase, you will make interest-only payments based on the draws that are disbursed to the builder with your approval.

Modification Phase: When the certificate of occupancy is issued, your loan will be modified from an interest-only payment to a fully amortized permanent loan. Ameris Bank's CP fixed-rate loans offer an optional interest rate float down within 30 days of modification date. Depending on the permanent financing option you select, requalification may be required at time of modification.

What additional closing costs should I anticipate with a CP loan?

Closing costs for CP loans include survey, inspection and construction loan fees. The amount of the fees will vary based on loan program selected, as well as the amount and types of inspections required.

Can I use gift funds towards my down payment?

Gift funds are allowed on CP conforming conventional loans and CP FHA loans. Gift funds are not allowed on a jumbo loan. Contact your lender for specific gift funds rules based on your loan program.

Is it possible for someone to co-sign with me on a CP loan?

No, CP loans do not allow for a non-occupant co-borrower.

When you're ready to build your dream home, we're here to help. Let's talk.



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